

**REAVES UTILITY INCOME FUND**  
(NYSE Amex: UTG)

**PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

**July 10, 2009**

**THE REAVES UTILITY INCOME FUND  
ANNOUNCES REGULAR MONTHLY DIVIDEND OF \$0.115 PER SHARE**

Denver, Colorado – The Reaves Utility Income Fund (NYSE Amex: UTG) today announced the next three monthly dividends at a rate of \$0.115 per common share per month, unchanged from the per share rate paid for the previous quarter. The dividend represents an annualized yield of 10.26% based on the current market price. As of July 6, 2009, the Fund's market price was \$13.45 per share and its net asset value was \$13.74 per share.

A portion of the distribution may be treated as paid from sources other than net income, including but not limited to short-term capital gain, long-term capital gain and return of capital. The final determination of the source of all distributions in 2009, including the percentage of qualified dividend income, will be made after year end.

Not less than eighty percent of the Fund's assets will continue to be invested in the securities of utility companies. As a policy, the Fund continues to strive to provide a high level of after-tax income and total return consisting primarily of tax-advantaged dividend income and capital appreciation.

Ronald Sorenson, CEO, Chief Investment Officer of W. H. Reaves and portfolio manager of the Fund, noted recently that the most important determinant of the Fund's ability to pay its dividend is the dividend-paying ability of the companies in which the Fund invests. "The Fund's net asset value dropped over the past twelve-months," Sorenson commented, "but the ability of our companies to pay and grow their dividend has not diminished. Earnings growth at many of the companies in which we invest may be slower than we had anticipated twelve months ago. Nonetheless, the company fundamentals still point to a trend of growing earnings and dividends."

The following dates apply to the upcoming dividends that have been declared:

Ex-Distribution Date: July 20, 2009  
Record Date: July 22, 2009  
Payable Date: July 31, 2009

Ex-Distribution Date: August 17, 2009  
Record Date: August 19, 2009  
Payable Date: August 31, 2009

Ex-Distribution Date: September 16, 2009  
Record Date: September 18, 2009  
Payable Date: September 30, 2009

**The Reaves Utility Income Fund**

The investment objective of the Fund is to provide a high level of income and total return consisting primarily of tax-advantaged dividend income and capital appreciation. There were approximately \$562 million of total assets under management and 22.7 million common shares outstanding as of July 6, 2009.

**An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus which contains this and other information visit [www.utilityincomefund.com](http://www.utilityincomefund.com) or call 1-800-644-5571. Read the prospectus carefully before investing or sending money.**

*The Reaves Utility Income Fund is a closed-end fund and closed-end funds do not continuously issue shares for sale as open-end mutual funds do. Since the initial public offering, the Fund now trades in the secondary market. Investors wishing to buy or sell shares need to place orders through an intermediary or broker. The share price of a closed-end fund is based on the market's value.*

*Forward-looking statements are based on information that is available on the date hereof, and neither the fund manager nor any other person affiliated with the fund manager has any duty to update any forward-looking statements. Important factors that could affect actual results to differ from these statements include, among other factors, material, negative changes to the asset class and the actual composition of the portfolio.*

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